
HOUSE BILL No. 1299

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-25.

Synopsis: Tax credit for worksite health programs. Provides a state tax credit to a taxpayer providing a worksite health and productivity process for the taxpayer's Indiana employees. For a basic qualified health and productivity process, the credit is the lesser of: (1) 2% of state tax liability; or (2) \$50 multiplied by the number of employees. For a comprehensive qualified health and productivity process, the credit is the lesser of: (1) 4% of state tax liability; or (2) \$100 multiplied by the number of employees. Requires the department of workforce development to certify a worksite health and productivity process.

Effective: January 1, 2004 (retroactive).

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January 15, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1299

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004 (RETROACTIVE)]:

4 **Chapter 25. Credit for Worksite Health and Productivity**
5 **Processes**

6 **Sec. 1. As used in this chapter, "pass through entity" means:**

- 7 (1) a corporation that is exempt from the adjusted gross
8 income tax under IC 6-3-2-2.8(2);
9 (2) a partnership;
10 (3) a limited liability company; or
11 (4) a limited liability partnership.

12 **Sec. 2. As used in this chapter, "state tax liability" means a**
13 **taxpayer's total tax liability that is incurred under:**

- 14 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
15 (2) IC 6-5.5 (financial institutions tax); and
16 (3) IC 27-1-18-2 (insurance premiums tax);

17 **as computed after the application of the credits that under**



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IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 3. As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

Sec. 4. As used in this chapter, "worksite health and productivity process" includes:

(1) a tier 2 program (a basic qualified health and productivity process); and

(2) a tier 3 program (a comprehensive qualified health and productivity process);

that satisfies the standards adopted by the Worksite Health Promotion Alliance.

Sec. 5. (a) A taxpayer that provides a tier 2 program in Indiana that is certified by the department of workforce development and in which all the taxpayer's Indiana employees are entitled to participate is entitled to a credit against the taxpayer's state tax liability for a taxable year equal to the lesser of:

(1) two percent (2%) of the taxpayer's state tax liability; or

(2) an amount equal to fifty dollars (\$50) multiplied by the number of the taxpayer's Indiana employees.

(b) A taxpayer that provides a tier 3 program in Indiana that is certified by the department of workforce development and in which all the taxpayer's Indiana employees are entitled to participate is entitled to a credit against the taxpayer's state tax liability for a taxable year equal to the lesser of:

(1) four percent (4%) of the taxpayer's state tax liability; or

(2) an amount equal to one hundred dollars (\$100) multiplied by the number of the taxpayer's Indiana employees.

Sec. 6. (a) If the amount determined under section 5 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is not entitled to a refund of any unused credit.

Sec. 7. If a pass through entity does not have state tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for

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1 the taxable year; multiplied by

2 (2) the percentage of the pass through entity's distributive
3 income to which the shareholder or partner is entitled.

4 Sec. 8. (a) A taxpayer who seeks to obtain the credit provided by
5 this chapter must file an application for certification of the
6 taxpayer's worksite health and productivity process with the
7 department of workforce development. The department of
8 workforce development shall prescribe the form and content of the
9 application.

10 (b) Upon receipt of an application filed under subsection (a), the
11 department of workforce development shall determine if the
12 taxpayer has a tier 2 program or a tier 3 program. If the
13 department of workforce development approves the application, it
14 shall issue a certificate to the taxpayer for the taxable year. The
15 taxpayer must attach the certificate to the state tax return that is
16 filed for the taxable year for which the credit is claimed.

17 (c) To receive the credit provided by this chapter, a taxpayer
18 must claim the credit on the taxpayer's state tax return or returns
19 in the manner prescribed by the department. The taxpayer must
20 submit to the department all information that the department
21 determines is necessary for the calculation of the credit provided
22 by this chapter and for the determination of the taxpayer's
23 eligibility for the credit.

24 SECTION 2. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
25 IC 6-3.1-25, as added by this act, applies only to taxable years
26 beginning after December 31, 2003.

27 SECTION 3. An emergency is declared for this act.

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